

NO SUPPLIMENTAL TAX INCREASE – NO BORROWING

Council President Donald Torres announces proposal to fund newly negotiated teachers contract. Calling the proposal,” In the best interest of the tax payers”, Torres looks forward to discussing the plan at the September 18th council meeting. Torres believes that plan shows the ability to avoid tax increase or borrowing and at the same time looks forward to the response of the administration and finance department. “In the end I believe this plan will work, at the same time I am willing to look at any other potential plans as well.”

“Elected officials owe it to our residents to show leadership in tough times, avoid pointing fingers or hoping someone else solves the problems of the day. I am committed to this belief as well.” said Torres.

Proposal for teacher contract

The following proposal is in response to the resent settlement between the Warwick School Committee and the WTU.

Plan highlights

- **NO** supplemental tax
- **NO** Borrowing of funds (Tax Anticipation Notes)
- 2.3 million dollars school surplus
- 2.7 million dollars drawdown on city surplus
- Schools required to cut spending by 500,000
- 600,000 dollars in line item cuts and transfers
- 450,000 cut from capital expense account
- 827,000 cut from commodities and services (5%)

- 200,000 dollars additional collections from last year's delinquent taxes.

PROPOSED COST SAVING MEASURES

- 1) Immediate freeze on all non-emergency overtime
- 2) No city vehicles taken out of the city except for official business.
(Includes taken vehicles home during off hours.)
- 3) Immediate review of all vehicle usage in search of cost savings.
- 4) Each department head to limit personal calls by all employees from the city phone system except in the case of an emergency. (We spend over 750,000 a year on phones bills).

BUILT IN SAFEGUARDS

- Savings realized from cost saving measures will help cushion unforeseen expenses.
- Potential savings with teacher retirements. No way of calculating this figure, but will realize 10,000 to 15,000 per retirement in lower wages. Any savings will be returned to the city's general fund.
- The 500,000 dollars from the street paving held until spring. These funds could be used for unforeseen expenses. (More than likely these funds should be able to be put into the paving during the spring month.)
- Funds realized over anticipated collections of delinquent taxes can also be used to plug gaps.(The history shows this happening every year)

It's important to note the proposal shows the ability to fund the contract without tax increases or borrowing. During the public hearing the city council looks forward to hearing from the public

and the administration regarding the concept and potential changes to this proposal.

TEACHER CONTRACT PROPOSAL-- DRAFT

TORRES VERSION

TOTAL COST FOR THIS FISCAL YEAR

COST
7.5 MILLION

EXISTING FUNDS/ POTENTIAL CUTS to be used to fund contract for 06-07

	SCHOOL SURPLUS				2,300,000
		2,300,000 Total			2,300,000
	CITY SURPLUS DRAW DOWN				2,700,000
		2,700,000 Total			2,700,000
	CAPITAL				450,000
		450,000 Total			450,000
	5% CUT IN COMMODITIES AND SERVICE (comm & service cut made after line item deductions)				827,000
		827,000 Total			827,000
	prior year tax collections(above projection)				200,000
		200,000 Total			200,000
	Total line item cuts (see attached sheet)				
		590,000 Total			590,000
	SCHOOLS DEPARTMENT CUTS	500,000 Total			500,000
		500,000 Total			500,000
		Grand Total			7,567,000
	LEGAL RESERVE				375,000
		350,000 Total	375,000		
				375,000 Total	375,000
17-497	SPECIAL ELECTIONS	10,000 Total	10,000		10,000
				10,000 Total	10,000
18-360	PROFESSIONL SERVICES	20,000 Total	20,000		20,000
				20,000 Total	20,000
18-4000	CONTINGENCY	75,000 Total	75,000		75,000
				75,000 Total	75,000
22-360	PROFESSIONL SERVICES				5,000
22-323	TAX SALE				5,000
25-231	SUPPLIES-COMPUTERS	5,000 Total	15,000		5,000
				5,000 Total	15,000
25-303	TELEPHONE	50,000 Total	50,000		50,000
				50,000 Total	50,000
				10,000 Total	10,000
63-227	SUPPLIES TRAFFIC SAFETY	5,000 Total	5,000		5,000
				5,000 Total	5,000
63-244	GUARD RAILS	10,000 Total	10,000		10,000
63-294	TREE PLANTING	5,000 Total	5,000		5,000
				5,000 Total	5,000
63-317	HISTORIC LIGHT REPLACEMENT				25,000
				25,000 Total	25,000
		25,000 Total	25,000	Grand Total	590,000
		Grand Total			590,000

Safeguards in the event of shortfalls or emergency's

Hold street paving until spring

63-293 Street Resurfacing

500,000

Potential retirement savings

Savings from cost cutting proposals

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	SCHOOL SURPLUS			2,300,000
		2,300,000 Total		2,300,000
	CITY SURPLUS DRAW DOWN			2,700,000
		2,700,000 Total		2,700,000
	CAPITAL			500,000
		500,000 Total		500,000
	5% CUT IN COMMODITIES AND SERVICE			827,000
	(comm & service cut made after line item deductions)			
		827,000 Total		827,000
	prior year tax collections(above projection)			200,000
		175,000 Total		200,000
	Total line item cuts (see attached sheet)			1,075,000
		1,100,000 Total		1,075,000
		Grand Total		7,602,000
	LEGAL RESERVE			375,000
		350,000 Total	375,000	
17-497	SPECIAL ELECTIONS			10,000
		10,000 Total	10,000	
18-360	PROFESSIONL SERVICES			20,000
		20,000 Total	20,000	
18-4000	CONTINGENCY			75,000

		75,000 Total	75,000	
22-360	PROFESSIONL SERVICES			5,000
22-323	TAX SALE			5,000
25-231	SUPPLIES-COMPUTERS			5,000
		5,000 Total	15,000	
25-303	TELEPHONE			50,000
		50,000 Total	50,000	
28-356	VETERINARY SERVICES			10,000
		10,000 Total		10,000
63-227	SUPPLIES TRAFFIC SAFETY			5,000
		5,000 Total	5,000	
63-244	GUARD RAILS			10,000
		10,000 Total	10,000	
63-293	STREET RESURFACE			500,000
		500,000 Total	500,000	
63-294	TREE PLANTING			5,000
		5,000 Total	5,000	
63-317	HISTORIC LIGHT REPLACEMENT			25,000
		25,000 Total	25,000	
		Grand Total		1,100,000